



Local Agency Formation Commission
LAFCO of Napa County

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June 4, 2007
Agenda Item No. 8a

May 30, 2007

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Tracy Geraghty, Analyst

SUBJECT: Town of Yountville – Municipal Service Review (Discussion)
The Commission will receive a municipal service review report on the Town of Yountville. The report is in draft-form and is being presented for discussion.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO to review and update the sphere of influence for each local agency within its jurisdiction by January 1, 2008 and every five years thereafter as necessary. In anticipation of reviewing an agency's sphere, this legislation also requires that LAFCO prepare a municipal service review that examines the level and range of services provided by the affected agency. The legislative intent of the municipal service review is to help inform the Commission in making sphere determinations and fulfill its long-standing mandate to encourage the orderly and planned development of local agencies.

Discussion

Drawing from LAFCO of Napa County's adopted study schedule, staff has prepared the attached municipal service review report on the Town of Yountville. The report is in draft-form and evaluates the level and range of services provided by the Town in terms of capacity, funding, and governance. The report also includes written determinations addressing the nine service factors LAFCO is required to consider as part of its service review mandate as defined in California Government Code §56430.

The report is being presented to the Commission for discussion. Staff will provide a brief presentation highlighting the key serve and policy issues discussed in the report. Following the meeting, staff will circulate a notice of review on the report to interested parties. Staff anticipates presenting a final report, with or without revisions, to the Commission for consideration at its next regularly scheduled meeting.

Attachment:

- 1) Municipal Service Review Report (Draft)

Jack Gingles, Chair
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

Brad Wagenknecht, Vice-Chair
County of Napa Supervisor, 1st District

Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

TOWN OF YOUNTVILLE MUNICIPAL SERVICE REVIEW

**Draft Report
June 2007**

Prepared by:

LAFCO of Napa County

Committed to serving the citizens and government agencies of its jurisdiction by encouraging the preservation of agricultural lands and open-space and coordinating the efficient delivery of municipal services.

Jack Gingles, Chair, City Member
Brad Wagenknecht, Vice-Chair, County Member
Bill Dodd, Commissioner, County Member
Juliana Inman, Commissioner, City Member
Brian J. Kelly, Commissioner, Public Member
Cindy Coffey, Alternate Commissioner, City Member
Mark Luce, Alternate Commissioner, County Member
Gregory Rodeno, Alternate Commissioner, Public Member

Keene Simonds, Executive Officer
Jackie Gong, Commission Counsel
Tracy Geraghty, Analyst
Kathy Mabry, Commission Secretary



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INTRODUCTION

Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering California Government Code §56000 et seq., which is now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to encourage the orderly formation and development of local governmental agencies, preserve agricultural and open-space lands, and to discourage urban sprawl. Duties include regulating governmental boundary changes through annexations or detachments, approving or disapproving city incorporations, and forming, consolidating, or dissolving special districts. LAFCOs are also responsible for conducting studies that address a range of service and governance issues to inform and direct regional planning activities and objectives. LAFCOs are located in all 58 counties in California.

Municipal Service Reviews

On January 1, 2001, the Cortese-Knox-Hertzberg Local Government Reorganization Act became the governing law of LAFCOs. One change brought by this legislation was the creation of a new LAFCO function, the municipal service review. California Government Code §56430 states that prior to any update of a sphere of influence, the Commission shall conduct a municipal service review – a comprehensive evaluation of the ability of the agency to provide service within its existing jurisdiction and sphere. This includes making determinations on the adequacy, efficiency, and effectiveness of these services in relationship to local conditions and circumstances. LAFCO is required to review and update each local agency's sphere by January 1, 2008 and every five years thereafter as necessary. Each of the 58 LAFCOs in California may adopt their own approach to fulfilling the service review and sphere update requirements.

As part of the service review process, LAFCOs are required to consider and make written determinations with regard to nine service factors enumerated under California Government Code §56430. These factors are intended to capture the legislative intent of the service review process and offers LAFCO key information to inform policy determinations necessary to complete a sphere update. These factors are:

1. Infrastructure needs or deficiencies.
2. Growth and population projections for the affected area.
3. Financing constraints and opportunities.
4. Cost avoidance opportunities.
5. Opportunities for rate restructuring.
6. Opportunities for shared facilities.
7. Government structure options.
8. Evaluation of management efficiencies.
9. Local accountability and governance.

Town of Yountville

This report represents the municipal service review of the Town of Yountville. The underlying objective of the report is to review the level and range of services provided by the Town in terms of capacity, funding, and governance. The report also includes written determinations that address the nine service factors LAFCO is required to consider as part of its service review mandate under California Government Code §56430.

Note: The geographic region of the municipal service review includes all lands located within the existing jurisdictional boundary of the Town (depicted in Attachment A).

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OVERVIEW

The Town of Yountville was incorporated in 1965 as a general-law city and operates under the council-manager form of government. The Town provides a full range of municipal services either directly or by contract and has an estimated population of 3,560 which includes approximately 1,500 residents at the State of California's Veteran's Home. The Town is presently staffed by twenty full-time and six part-time employees and has a current budget of approximately \$7.1 million dollars.

BACKGROUND

Yountville's development began in the 1830's following the arrival of George C. Yount. In 1836, Yount received a land grant from the Mexican government and began the process of surveying and attracting other settlers to the area. By the mid 1850s, the area had become part of a thriving agricultural valley with a community of farmers and ranchers. The mid-century extension of the Napa Valley Railroad Company further promoted and sustained the small community and marked a new period of growth and prosperity throughout the Napa Valley. This period also coincided with the arrival of migrants from Europe, leading to the emergence of viticulture as the region's primary commerce. Originally named "Sebastopol," the area was renamed "Yountville" in 1865.

In 1884 the State of California founded the State Veterans Home of California-Yountville, the largest facility of its kind in the state.¹

In the 1950's, in response to growing residential and commercial uses, Yountville residents took steps to formally establish independence and a commitment to their community with the formation of the Yountville Sanitation District (YSD) and the Yountville County Water District (YCWD).² This focus on local service needs continued into the early 1960's as community residents began organizing for incorporation. According to testimony in the incorporation documents, the community held a "strong feeling of separate identity" and looked to become the "spokesman for the area" helping to solve "area needs" in addition to local needs. The community was satisfied with service levels being provided by the County of Napa and the YSD and YCWD but was looking for more "local responsiveness," and more control over land use.³

¹ The home is the largest Veterans Home in California and is a residential facility located just west and up the hill from the community of Yountville.

² The YSD was originally administered by the County of Napa Board of Supervisors. The YCWD infrastructure was operated and maintained by the City of Napa, and the District also contracted with the City for the delivery of water supplies.

³ At the time, public safety services were provided through the county sheriff. The Sheriff allocated one car and two officers for the area north of the City of Napa including Yountville, Oakville, and Rutherford. Fire protection was provided in the area through the State Division of Forestry with one truck and one firefighter. Veteran's home services including safety, water and sewer systems, building in section, planning, and road maintenance were provided by the State of California.

In 1965, upon LAFCO approval, the Town of Yountville became the fourth incorporated community in Napa County. As part of the incorporation, LAFCO merged both the YSD and the YCWD into the Town. Yountville's population at the time of incorporation was approximately 2,500, of which 2,000 were residents of the Veterans Home.

Land Use Policies

Yountville adopted its first General Plan in 1966. This initial General Plan included land use policies designed to continue Yountville's transition from an agricultural community to a small town consisting of neighborhoods and assorted commercial developments. In 1973, in response to resident concerns regarding a sudden increase in development, Yountville conducted a series of public workshops to revise land use policies consistent with public interest. As a result, Yountville adopted a new General Plan in 1975 limiting development within existing Town boundaries.

By the early 1980's Yountville's residents became concerned the General Plan was producing a town which could be "overwhelmed by visitor-oriented commercial development."⁴ Concerns were based on observations of developments which were approved and constructed under the 1975 intensity and density regulations but which seemed, after being built, inconsistent with the General Plan's goal of "conserving the small town character, scale, and pace of life." In 1984 more than 20 workshops and hearings were held to review and receive public on growth and development preferences. In 1985 the General Plan was amended to recalculate the amount of land dedicated to commercial and residential uses to better reflect the community's desire to retain the character of a small, rural town.

In 1990 the Town Council commissioned a review of the 1985 General Plan and associated zoning ordinance out of concern the land use, circulation, and housing elements were not effectively achieving their purposes. A citizen task force convened on more than 30 occasions between 1992 and 1994 to review Yountville's policies and survey the growth and development preferences of the residents. Outreach and surveys revealed residents preferred the "gridiron" planning schemes which occurred during Yountville's development in the late 1800's over modern planning patterns. Also during the review period residents reaffirmed their desire to conserve Yountville's small-town character. In the end, the public outreach and community review culminated in the adoption of Yountville's fourth General Plan in 1994⁵. The 1994 General Plan continues to limit development within Yountville's current incorporated boundary and includes policies to not annex surrounding agricultural lands or expand its sphere of influence.

⁴ Yountville General Plan, March 2000 p.5.

⁵ The General Plan's Housing Element was updated in 2004.

ADOPTED BOUNDARIES

Yountville's incorporated boundary consists of 934 acres and is conterminous with its adopted sphere of influence. Although Yountville no longer permits outside connections, its water service area extends outside its incorporated boundary to include several properties located along Yountville Cross Road to the Silverado Trail. A map depicting Yountville's jurisdictional and sphere boundaries is provided as Attachment A.

POPULATION PROJECTIONS

Yountville currently serves a resident population of 3,260 according to the Association of Bay Area Governments (ABAG). ABAG projects a total population for Yountville of approximately 3,574 residents by 2030, which equates to an annual growth rate of 14 residents.

GOVERNANCE

Yountville was incorporated in 1965 as a general-law city and operates under the council-manager system of government. Yountville is governed by a five member Town Council that includes a directly elected mayor. Elections are conducted by general vote; the mayor serves a two-year term while the four council members serve staggered four-year terms. Key Council duties include passing ordinances, adopting an annual budget, appointing committees, and hiring the Town Manager and Town Attorney. Council meetings are conducted on the first and third Tuesdays of each month at the Town Hall Council Chambers. Meetings are open to the public.

Independent Governing Bodies

The Town Council also serves as the governing board for the Yountville Housing Authority. The Authority was formed in 1989 to facilitate affordable housing projects for low-income Yountville residents. It is not currently engaged in any projects. The Authority convenes as part of the second Town Council meeting each January.

Advisory Boards, Commissions, and Committees:

To encourage public input and citizen participation on particular issues, the Town Council establishes local advisory boards, committees or commissions by ordinance or resolution. These advisory bodies are responsible for making recommendations on a variety of topics to the Town Council or administration for consideration and final determination. The general purpose, responsibilities and terms of office for each board and commission are established by their respective ordinance or resolution. The three presently active advisory committees are summarized below.

Zoning/Design Review Board

The Zoning/Design Review Board was established by ordinance in 1986 and is comprised of five members of the public appointed to staggered three year terms. Acting similarly to a planning commission, the Board is responsible for conducting design and sign review, issuing use permits, and approving variances⁶. Decisions of the Board are considered final unless appealed to the Town Council. The Board meets on the second Tuesday of each month at 6:00 p.m. in the Town Hall Council Chambers.

Community Hall Commission

The Yountville Community Hall Commission was established by resolution in 1978 and is comprised of seven members of the public appointed by the Town Council to staggered three year terms. The Commission reviews policies and procedures regarding use and operation of the Town Hall. The Commission also inspects Hall facilities and advises the Town Manager or the designated employee of any needed facility maintenance or improvements. The Commission reports directly to the Town Manager and also provides copies of its meeting minutes to the Town Council. The Commission meets on the first Monday of each month at 4:30 p.m. in the Community Hall.

Transportation Advisory Committee

The Transportation Advisory Committee was established by motion of the Town Council in 1986 and is comprised of five members of the public appointed by the Town Council to staggered three year terms. The Committee serves as the Yountville's transportation planning agency and is the body which reviews transportation and traffic studies and coordinates with the Napa County Transportation and Planning Agency (NCTPA). The Committee solicits questions and concerns about local transportation issues from residents and tourists on behalf of the Town Council. The Committee meets on the third Thursday of each month at 10:30 a.m. in the Town Hall Council Chambers.

ADMINISTRATION

The administration of Yountville is the principal responsibility of the Town Manager, who is appointed to oversee and implement policies on behalf of the Town Council. Key duties of the Town Manager include administering the Yountville's five municipal departments: administration, community services, finance, planning, and public works. Other appointed positions responsible for assisting the Town Manager in administering day-to-day activities include a Town Attorney⁷ and Town Clerk. Both positions are appointed by the Town Council and are responsible for providing legal advice and maintaining all official Town documents, including minutes, resolutions, ordinances, agendas and contracts.

⁶ The Town of Yountville does not have a formal Planning Commission.

⁷ Yountville's Town Attorney is not a Town employee. The position is contracted with a retainer on a part-time basis.

Administrative services provided by the Town Manager, Town Attorney, and City Clerk are coordinated with all other departments through weekly staff meetings. Each department is managed by a director who is responsible for overseeing, staffing, and preparing budgets for his or her department. Funding for all departments is primarily drawn from the Yountville's General Fund, which is supported by property, sales, and transient-occupancy taxes. Several departments are supplemented with numerous enterprise and other special revenue funds.

An overview of each department is provided below.

Administration Department

The Administration Department includes the Town Manager, Town Attorney, and Town Clerk. Principal duties include providing general administrative support to the Town Council and providing direction to staff. These duties include implementing policy direction for the Town Council and supervising other department directors. The Administration Department has five employees.

Community Services

The Community Services Department is responsible for planning, managing, and staffing Yountville's recreation services. The Department is managed by the Community Services Director and consists of three divisions: Recreation Programs, Aquatics Programs and Community Hall Facilities. Collectively, these divisions plan and manage services for residents of all ages with specific activities for seniors, enrichment classes and sports programs for youth and adults, and aftercare and day-camp programs for students at the Yountville Elementary School. The Community Services Department has ten employees.

Finance

The Finance Department is responsible for providing financial management and administrative services. The Finance Department is managed by the Finance Director who also serves as the Town Treasurer. Principal duties of the Department include developing an annual budget, maintaining the Town's investment program, providing the necessary financing for capital needs, and preparing management and financial analysis reports. Additional duties include monitoring legislation that may affect the finances of the Town, monitoring the Town's risk management needs, and administration of the Transient Occupancy Tax and Business License Ordinances. The Finance Department is also responsible for bimonthly water and sewer utility billing. The Finance Department has two employees.

Planning and Building

The Planning and Building Department is responsible for providing planning, building, engineering, and code enforcement services. The Department is managed by the Planning Director. Principal duties of the department include coordinating and administering Yountville's planning operations, issuing building permits and conducting inspections, reviewing project applications, and administering the water

conservation program. Planning duties include current and advanced planning services, environmental documentation, and housing programs. Building services include building inspections, building permit processing, and plan checking. Engineering provides improvement plan checking, mapping, drainage improvement plan checking, grading inspections, and capitol projects management. The Planning and Building Department has two employees.

Public Works and Town Engineering

The Public Works and Town Engineering Department is responsible for maintenance and repairs for all of Yountville's public facilities and infrastructure which includes streets, the water system, sewer, and parks. The Department is managed by the Public Works Director and comprises ten divisions: Administration, Streets, Water Supply, Wastewater/Sewer, Storm Drains, Parks, Buildings, Garbage, Water Conservation, and Storm Water Management. The Public Works and Town Engineering Department includes the Town Engineer, Public Works Superintendent, Chief Wastewater Plant Operator and a staff of six technicians.

SERVICES

Yountville provides a full range of municipal services either directly or through contract with other governmental agencies or private contractors. Direct services include water, sewer, planning, and recreation including a public pool and park. Contracted services include public safety (police and fire), garbage collection and street cleaning. An expanded review of the services provided by Yountville follows.

Directly Provided Services

Water

As detailed in LAFCO's *Comprehensive Water Service Study* (2004), at the time of its incorporation Yountville became the successor agency to the YCWD. Following incorporation Yountville formalized an agreement with the State of California for an annual entitlement of water drawn from Rector Reservoir. This agreement has subsequently been amended and currently provides Yountville with an annual entitlement of 500 acre feet. In 1982, to supplement its water supply from Rector Reservoir, Yountville entered into an agreement with the Napa County Flood Control and Water Conservation District (NCFWCWD) for an annual entitlement to the State Water Project (SWP). This agreement provides Yountville with an annual entitlement of 1,100 acre feet.⁸

⁸ In 1998, Yountville's Town Council adopted Ordinance No. 300-00, restricting water connections to single and multi-family residential projects on existing lots of record. The moratorium was lifted in 2005.

In the absence of its own treatment facilities, Yountville has entered into separate agreements with the Veterans Home and the City of Napa to treat and deliver its annual entitlement of Rector and SWP water. Yountville does not own water storage facilities and relies on continual deliveries from the Veterans Home and the City of Napa.

In 2001-2002, Yountville delivered approximately 168.8 million gallons (518 acre-feet) of potable water, resulting in an approximate daily average of 462,466 gallons. Yountville’s maximum day water demand was 733,000. The Town currently provides water service to approximately 714 connections. Of this amount, 32 connections are located outside of Yountville near the intersection of Yountville Cross Road and the Silverado Trail.

Yountville – 2001-2002 Water Demands	
Annual Water Demand:	168.8 million gallons
Average Daily Water Demand:	462,466 gallons
Maximum Day Water Demand:	733,000 million gallons
Water Connections:	714

Source: LAFCO’s *Comprehensive Water Service Study (2004)*

Sewer

As detailed in LAFCO’s *Comprehensive Study of Sanitation/Wastewater Treatment Providers (2006)*, at the time of its incorporation Yountville became the successor agency to the YSD. Yountville jointly owns a wastewater treatment plant with the State Veterans Home. Yountville contributes 60% of flows and the Veterans Home contributes 40%. The Town provides service to 664 connections, of which 590 are residential, 73 are commercial, and one is for the California Veterans Home. The treatment plant currently has a design capacity of 550,000 gallons per day. In 2005 Yountville treated approximately 410,000 gallons of wastewater per day.

Yountville – 2005-2006 Sewer Demands	
Municipal	189,000 gallons per day
Industrial (Veterans Home)	126,000 gallons per day
Infiltration:	103,000 gallons per day
Average Annual Demand	410,000 gallons per day
Sewer Connections	664

Source: LAFCO’s *Comprehensive Study of Sanitation/Wastewater Treatment Providers (2006)*

Planning and Community Development

The General Plan serves as Yountville's governing document with respect to planning and community development. It was last updated in 1994 and codifies land use and development policies for Yountville through 2020. As required by California Government Code §65302, the General Plan addresses seven mandatory elements that are of equal status and are evaluated in terms of local relevance. Mandatory elements include land use, housing, circulation, conservation, open-space, noise, and safety. Also of importance, the General Plan establishes standards with respect to the delivery and adequacy of public services in Yountville. These standards help to define the level of service in the community and provide the public with a tool to measure the success of the Town in meeting its service objectives. Other prominent policy documents that help to guide Yountville's planning and community development include its Zoning Ordinances, Design Ordinance, and specific plans.⁹ Collectively, these policy documents guide current and future planning decisions by Yountville.

While the development and adoption of land use policies for Yountville is the responsibility of the Zoning and Design Review Board and Town Council, it is the responsibility of staff to administer the day-to-day implementation of these policies. The implementation of these policies is most often carried-out by Yountville's Planning, Building, and Engineering Department. As mentioned, this Department is responsible for a variety of services relating to development review, building inspection, and code enforcement. This includes the review of all proposed improvement and development projects submitted by the public, such as general plan amendments, rezoning requests, use permits, and parcel and subdivision maps. As part of its review process, the Department coordinates an interdepartmental review to determine if the project will impact existing services in Yountville including confirming the availability of water and sewer service.

Recreation

Yountville provides a variety of recreation services that range from facilitating community activities to operating parks as well as a community swimming pool. Yountville also operates a Community Hall which is made available for public and private uses. Community activities organized by Yountville include annual seasonal events such as an Easter egg hunt, 4th of July event, Halloween haunted house, Veteran's Day pancake breakfast, and a tree-lighting ceremony. Additionally, Yountville sponsors a Town Carnival, an annual town-wide yard sale, and "Town Clean-up Day." Yountville also organizes "excursions" for seniors and families such as Casino trips or group outings to Scandia Family Center and Disneyland. For school-age children, the Town provides social and leadership activities, ten weeks of all-day summer camp as well as a before and after school care program.

⁹ Zoning ordinances establish allowable land uses within designated districts of the community.

Recreation and leisure services provided by Yountville include dancing, fencing, golf, several team sports and craft workshops.

The Yountville Community Hall is available year-round for programs and activities. Yountville's parks, including one xx acre public park and one xx acre park with group picnic facilities, are also available year-round. The Yountville Community Pool is open seven days per week from Memorial Day Weekend through Labor Day Weekend.¹⁰

Services Provided by Contract

Public Safety

Yountville provides police and fire protection services to residents through separate contracts with the Napa County Sheriff's Department and the Napa County Fire Department.

As specified in the contract, the Town provides one fully-equipped patrol vehicle for use by the Sheriff's Department in Yountville and also funds a full-time sergeant's position. The sergeant acts as a department head in the Town which includes attending staff and Town Council meetings, supervising any deputies working in Yountville, planning and directing Sheriff's personnel during community events, and serving as Yountville's disaster coordinator. Additionally, the sergeant prepares and manages grants, prepares quarterly reports for the Town Council, and acts as the liaison between Yountville and the County Sheriff. The Sheriff evaluates and makes determinations and recommendations about the Yountville's level of services needed at least once per quarter, and the Town compensates the County according to actual hours of services provided. The current contract between Yountville and the County Sheriff will expire at the end of fiscal year 2006-07.

Yountville's contract with the County of Napa Fire Department provides year-round staffing and operation of the Yountville Fire Station¹¹, fire investigation, fire hydrant maintenance, and public education programs. Services also include utilization of the County's support-system including dispatch and rescue and hazardous materials response. Levels of fire and emergency medical service (EMS) are evaluated by the County Fire Chief, but Yountville is assured a minimum level of staffing of four-persons 24 hours per day, seven days per week. Yountville currently pays an annual fee of \$467,000 for services, which is scheduled for annual adjustment with future increases not to exceed five percent in one year. The current contract between Yountville and the County will expire in 2010.

¹⁰ The Yountville Community Pool operates under a long-term lease agreement between the Veterans Home and the Town of Yountville and is operated and maintained by the Town.

¹¹ Yountville and the Veteran's home paid for the building of the Yountville fire station and share the costs of operating and maintaining the station.

Garbage Collection

Garbage collection in Yountville is provided on a weekly basis by the Upper Valley Disposal Service, Inc. (UVDS) through contract with the Upper Valley Waste Management Agency, a joint powers agency (Agency) administered by the County of Napa serving Yountville, St. Helena, Calistoga, and certain unincorporated areas of Napa County. This Agency agreement was formally entered into by the members in 1995 and is scheduled to expire on July 1, 2025. The agreement specifies that UVDS is the exclusive contractor for the collection of garbage and rubbish for the member agencies. Services for Yountville residents include roadside collection, private property collection, and custom “walk-in” service. Roadside waste collection is required on a regular basis and in such a way that the customers receiving service can predict which day it will occur, and both collection at private properties and “walk-in” service is arranged through special contract.¹² UVDS is also responsible for providing recycling services.¹³ Current rates for Yountville residential customers are provided below.¹⁴

Residential Garbage Rates in the Town of Yountville (effective since July 1, 2006)			
Toter Size	35 Gallon	65 Gallon	95 Gallon
Roadside Monthly Rate	\$20.84	\$41.68	\$62.52
Private Property Monthly Rate	\$29.32	\$58.64	\$87.96
Custom “walk-in” Monthly Rate	\$83.24	\$104.08	\$124.92

Street Sweeping

Yountville contracts with a private firm for street sweeping services. The contract is reviewed annually, and level of services needed is determined by the Town Manager. Currently, Yountville’s commercial areas are swept two times per month, and residential areas are swept once per month. The Town also contracts for the availability of “call-out” (on demand) services which are paid for on an hourly basis and are in addition to the contracted monthly amount.

Building Inspection and Plan Checking

Yountville contracts with a private engineering company for a part-time inspector for building inspections and plan checking needed by the Planning and Building Department.

¹² Garbage collected by UVDS is sent to the Clover Flat Landfill in Calistoga.

¹³ Recycling services are required by the Integrated Waste Management Act of 1989. This law established the Integrated Waste Management Board (IWMB), which is charged with developing and implementing regulations concerning solid waste management in California. The law includes diversion mandates requiring all municipalities to recycle or reduce at least 50 percent of their total solid waste amount beginning in 2000.

¹⁴ Rates are determined according to a methodology agreed to by the Agency and UVDS. The methodology specifically recognizes the importance of rate reviewing for collection services based on the overall costs of waste management services within the Agency’s member jurisdictions. Individual jurisdiction’s rates are based on a “Cost of Service Factor” which varies by jurisdiction according to the costs and difficulties associated with collection in different communities. Yountville’s current Cost of Service factor is 0.968. Rates are reviewed annually by all parties with changes taking effect on July 1st of each year.

BUDGET PROCESS

Yountville adopts an annual line-item budget that projects anticipated revenues and expenditures for the upcoming fiscal year. Adoption of the budget is preceded by a process in which each department director submits a request for appropriations to the Town Manager. The Town Manager uses these requests as the foundation for the annual budget. The budget is adopted at a public hearing in which members of the public are allowed to comment with regard to expenditures and service programs. Throughout the fiscal year the Council periodically reviews the Town's actual financial activity in relation to its original budget and will amend the budget as necessary to reflect changing conditions.

Yountville's 2006-7 adopted budget projects revenues of \$6.97 million and expenditures of \$7.32 million. The projected difference is due to implementation of scheduled capital improvement projects. Utilization of existing capital improvement fund reserves is expected to fund the projected difference. For administrative purposes the Town segregates its budget into four primary revenue and expense categories including General, Enterprise, Special Revenue, and Capital Projects Funds. A summary of these budget units follows.

General Fund

This unit is funded with resources traditionally associated with government and which are not required legally to be accounted for in other funds. Eighty-five percent of this unit is funded through sales (10%), property (9%) and transient occupancy (TOT) (66%) taxes. Other revenue sources include service charges, licenses and permits, and subventions from other government agencies. General Fund expenditures are primarily associated with administrative services, public safety, planning, public works, and community services. The general fund transfers over ninety percent of its operating surplus to various reserve, capital projects, and enterprise funds. In 2006-07 the General Fund's adopted budget projected revenues and expenditures at \$4,685,000 and \$3,437,400 respectively, accounting for 67% of overall Town revenue and 50% of overall Town spending. Yountville's General Fund balance at the beginning of the 2006-07 fiscal year was \$876,318 and is expected to grow to \$920,960 by the end of the fiscal year.

Enterprise Funds

This unit accounts for Yountville's operations that are financed and operated in a manner similar to private business enterprises including the Community Hall, water, and wastewater services. Community Hall accounts for seven percent of the Funds revenue and slightly more than 11 percent of expenses. Water services account for approximately 38 and 44 percent of revenues and expenses, respectively. Wastewater services account for 55 and 45 percent of revenues and expenses. In 2006-07 the Enterprise Fund's adopted budget projected revenues and expenditures at \$1,521,200 and \$1,686,800, accounting for 22% of overall Town revenue and 23% of overall Town spending.

Special Revenue Funds

This unit accounts for revenues and operations that are legally restricted to specified purposes. Yountville has 19 Special Revenue Funds including appropriations for utility under-grounding, traffic facilities, a new community center, flood control, and housing. More than 70 percent of this unit's funds for 2006-7 are transferred in from the General Fund. In 2006-07 the Special Revenue Fund's adopted budget projected revenues and expenditures at \$612,000 and \$1,702,600, accounting for nine percent of overall Town revenue and 23 percent of overall Town spending.

Capital Project Fund

This unit accounts for revenues generated from interest earnings, grants, impact fees, intergovernmental reimbursements, and expenses including project management, parks and recreation, and street maintenance, civic facilities, and flood control. In 2006-07 the Capital Projects Fund's adopted budget projected revenues and expenditures at \$155,200 and \$493,000, accounting for two percent of overall Town revenue and seven percent of overall Town spending.

**Town of Yountville
Projected Revenues and Expenses for 2006-07**

	Revenue	Percent of Town Revenue	Expenses	Percent of Town Expenses
General Fund	\$4,685,000	67%	\$3,437,400	48%
Enterprise Funds	\$1,521,200	22%	\$1,686,800	23%
Special Revenue Funds	\$612,000	9%	\$1,702,600	22%
Capital Projects Fund	\$155,200	2%	\$493,000	7%
Totals	\$6,973,400.00	100%	\$7,319,800.00	100%

WRITTEN DETERMINATIONS

In anticipation of reviewing and updating the Town of Yountville's sphere of influence, and based on the above-mentioned information, the following written determinations are intended to fulfill the requirements of California Government Code §56430. When warranted, some determinations include supplemental information listed in italics to provide context to the underlying service factor.

General Statements

- a) The Town of Yountville has made substantial progress toward addressing the recommendations made by the Commission as part of the *Comprehensive Water Service Study*. This progress demonstrates Yountville's responsiveness to addressing service needs and deficiencies in a timely manner.
- b) Determinations adopted by the Commission as part of the *Comprehensive Study of Sanitation and Wastewater Treatment Providers* regarding the Town of Yountville remain valid and appropriate.

Infrastructure Needs and Deficiencies

- a) The Town of Yountville has developed policies and service plans that adequately assess the service needs of current and future residents. Service plans for the Town of Yountville are updated on a regular basis and address the condition of infrastructure and the availability of financial resources to fund needed improvements.
- b) As evaluated as part of the *Comprehensive Water Service Study*, the Town of Yountville has contracted adequate water supplies to meet the needs of current and future residents under normal conditions. Yountville has also recently begun construction of its own water storage facility to help ensure the availability of water supplies during an emergency or interruption of deliveries from the City of Napa or the State of California.
- c) The ability of the Town of Yountville to address infrastructure needs or deficiencies is enhanced by a Town policy directing excess revenues from the General Fund into a special projects account for capital improvements.
- d) The Town of Yountville is in the process of funding a number of planned capital improvements. These improvements, which include renovating the Community Hall and swimming pool, constructing a new Community Center, and replacing water and sewer mains, will enhance Yountville's ability to accommodate existing and future development and growth.

Growth and Population Projections

- a) The projections prepared by the Association of Bay Area Governments are satisfactory estimates of the current and future service population of the Town of Yountville.
- b) The Association of Bay Area Governments projects an annual population growth rate for the Town of Yountville at 0.4 percent over the next 25 years. This figure is consistent with the projected annual growth rate of the Town of Yountville General Plan.
- c) The projections prepared by the Association of Bay Area Governments support the long-standing desire of the community to retain growth within its existing incorporated boundary.

Financing Constraints and Opportunities

- a) The Town Council has an established goal of maintaining an unreserved fund balance at the beginning and end of each fiscal year of \$775,000. This amount represents approximately 20 percent of Yountville's General Fund and helps to protect against unanticipated expenditures or shortfalls in revenues.
- b) Approximately two-thirds of the Town of Yountville's revenue is generated from activities associated with tourism. The General Fund generates on average 1.0 million dollars in revenues in excess of expenses. This excess is directly related to the transient-occupancy tax collected at local lodging establishments, underscoring Yountville's dependency on tourism.
- c) The revenue stream generated from the transient-occupancy tax has proven reliable as tourism throughout Napa County has increased in the past decade. However, the dependency on one stream of revenue over which the Town has no direct control represents a constraint for budgeting purposes.
- d) The Town of Yountville's tax revenues generally exceed the "Base Appropriations Limit" established by Proposition 13 (the "Gann Limit"). The Citizens of Yountville have voted to override the Town's Gann Limit five times, indicating confidence in government expenditures.

The Gann Limit is a maximum appropriation limit imposed by the state constitution on all tax-funded public agencies. The amount is adjusted annually, and any tax revenue received above the Limit is to be refunded to tax payers in the form of rebates or future tax cuts.

- e) The most recent vote to override the Town's Gann Limit occurred in 2002 and approved a \$900,000 annual override for five years. FY 2006/07 is the final year of the override pending further voter approval. Yountville residents will need to vote again for an override in order for the Town to continue utilizing excess funds generated by the tourism industry beyond the current fiscal year.

Cost Avoidance Opportunities

- a) The Town of Yountville benefits from cost-savings associated with its contracts for outside services involving garbage collection and public safety. These contracts reduce costs by eliminating outlays needed to develop and maintain additional infrastructure, including equipment and personnel, and also provide flexibility to the Town in adjusting service standards to meet the needs of the community.
- b) The Town of Yountville participates in a number of cost-sharing programs with the State of California and other local agencies through joint-power and regional authority agreements. These programs promote the benefits of regional partnerships and provide significant cost-savings that support key governmental services such as affordable housing and public transit.
- c) The Town of Yountville maintains an annually-revised Capital Improvement Plan (CIP) to coordinate the financing and construction of capital improvement needs. The CIP is revised with each new budget year with priorities reviewed and changed as necessary. This process maximizes efficiency and the returns to the public while avoiding unnecessary expenditures.
- d) The budget process for the Town of Yountville includes a number of checks and procedures throughout the fiscal year designed to allocate available funding with appropriate levels of service.
- e) The Town of Yountville limits its exposure to risk and losses by participating with other governments in the Public Agency Risk Sharing Authority of California insurance pool.

Opportunities for Rate Restructuring

- a) Rates and fees for services provided by the Town of Yountville are established by ordinances reviewed on a regular basis. The ordinances are based on staff recommendations and reviewed and adopted by the Town Council. This process provides an opportunity for public input and strengthens the ability of the Town to allocate costs with the desired levels of service.

- b) The Town of Yountville’s Development Impact Fee Ordinance is automatically amended annually to adjust fees according to the average construction cost index published in the Engineering New Record. This process helps ensure Yountville is practicing an appropriate level of cost-recovery as it relates to serving new development.

Opportunities for Shared Resources

- a) The Town of Yountville benefits from a unique relationship with the State of California Veterans Home that facilitates a number of shared arrangements between the two agencies. These shared arrangements avoid the duplication of costly infrastructure and helps to maximize local resources.

Examples include sharing a community swimming pool, a park, water supply and wastewater treatment facilities, and a fire/police station.

- b) The Town of Yountville participates in joint-power arrangements with the Upper Valley Waste Management Agency, the Napa County Transportation and Planning Agency, and the Napa County Flood Control Authority. These arrangements establish cost-efficiencies for Yountville with respect to offering garbage collection, public transportation, and flood control services to its constituents.

Government Structure Options

- a) The Town of Yountville provides effective services through its council-manager form of government and appropriate utilization of other governmental advising bodies to help inform its decision-making process.

Management Efficiencies

- a) The Town of Yountville adopts an annual budget at a publicly noticed meeting in which members of the public are allowed to comment with regard to expenditures and service programs. The budget process enhances the accountability of elected officials and provides a clear directive towards staff with regard to prioritizing local resources.
- b) The Town of Yountville has been diligent in the development of policies and service plans that address the existing and future needs of the community. These efforts provide effective performance measures and demonstrate a commitment by the Town to hold itself accountable to the public.

Local Accountability and Governance

- a) The Town of Yountville Town Council meetings are held twice a month and are open to the public. Regularly scheduled meetings provide an opportunity for residents to ask questions of elected representatives and help ensure service information is effectively communicated to the public.

- b) The Town of Yountville has made a significant investment with regard to funding a number of community-oriented programs ranging from dance classes for seniors to family outings to childcare services. As these programs are funded by Yountville's General Fund and represent approximately 15 percent of the total General Fund expenditures in the current budget, the Town would benefit by the development of performance measures to assess the value of these services to residents.

DRAFT

SOURCES

Agency Contacts:

Michele Price, Town Clerk.
Robert Tiernan, Acting Town Manager.
Richard Stranzl, Finance Director.

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